

Joint Commission on Technology & Science



HJ 97/SJ 97

**A BLUEPRINT FOR THE GROWTH OF THE
VIRGINIA AVIATION AND AEROSPACE
INDUSTRY**

HJ 97/SJ 97



- Identify strategies to grow Denbigh Aviation Academy
- Identify federally funded research opportunities
- Other state best practices
- Potential of eliminating sales tax on aviation/aerospace parts
- Opportunities regarding maintenance & rehab of aerospace equipment
- Other topics

Virginia Academy of Science, Engineering & Medicine Aerospace Committee



- **Broad overview of aerospace/unmanned systems**
 - Best practices
 - Economic development-focused
 - Federal opportunities

- **Sets framework for big picture recommendations and future areas of study**

Denbigh/STEM/Workforce Development



- Denbigh Aviation Academy: Newport News Magnet School
 - Focus on piloting, aircraft maintenance, engineering, aviation security; partner with Newport News/Williamsburg Airport
- Role of Denbigh linked into bigger picture issues regarding STEM education & aviation/aerospace workforce development in the Commonwealth
- Department of Aviation Workforce Development Study: ongoing; expected report in February, 2017 (includes role of Denbigh)
- **Recommendation:** Continue study of Denbigh & workforce issues in 2017, taking into account Department of Aviation Workforce Report; study ways to coordinate workforce development and economic development opportunities.

Sales Tax on Parts and Labor



- Labor: Not taxed if separately stated
- Parts: Taxed at standard sales tax rate (5.3%-6%)
- Department of Taxation estimate: \$17 million/year
 - That would require \$321 million in sales of parts – evidence does not bear this out
 - No major MROs in Virginia; no aviation paint shops
- Trend across the country is to eliminate the tax on parts
 - 30 states currently have full or partial exemptions

Sales Tax on Parts and Labor (con't)



- Opportunity: Growth of unmanned system industry
- Recommendation: Eliminate sales tax on aviation parts, with a five-year sunset

Opportunities for Aviation Rehab



- **Workforce Highlights:**
 - Liberty University: School of Aeronautics (includes online Flight Training Affiliate Program)
 - Denbigh Aviation Academy
- Research indicates substantial permitting/environmental impediments to aviation operations
- **Recommendation:** Continue study in 2017 to focus on state and federal permitting and environmental laws and regulations to develop recommendations to remove barriers in the Commonwealth



- **QUESTIONS & DISCUSSION**